

SHAWBROOK'S LANDMARK IPO

Revitalising UK equity markets

KEY FACTS

£348m

offer size
(£50m primary issue and
£298m secondary sell down;
institutional and retail offer)

£1.92bn

market cap at offer price

6.8%

price increase on
day one, indicating
successful pricing

- **A transformative step for a long-standing client**, marking a significant milestone in its growth journey and a key step in helping Shawbrook deliver its ambitious growth plans
- **A much-publicised vote of confidence in the UK equity market**, after some lean years for IPOs, with the potential to “spark sentiment change” (Financial Times)
- **The UK's biggest IPO of the year and the largest domestic UK IPO** since Oxford Nanopore Technologies in 2021 (on which we advised Oxford Nanopore Technologies)
- **Enables a (partial) exit by Shawbrook's PE owners**, Pollen Street Capital and BC Partners, after many years of investment
- **Retail investors were invited to buy shares** in the IPO through RetailBook's network of investment platforms, retail brokers and wealth managers



A VOTE OF CONFIDENCE IN UK EQUITY CAPITAL MARKETS

As a bank headquartered and regulated primarily in the UK, the company considered the London Stock Exchange to be its natural listing venue. London also has a strong track record on block trades and secondary fundraisings.

The IPO was reported as heavily oversubscribed, with investors offering to buy seven times more shares than were available. Interest came from a wide range of investors, including prominent participation from UK, US and EU-based investors.



A LONG-STANDING RELATIONSHIP

The IPO represented an important milestone in Shawbrook's journey. As legal advisers to Shawbrook since its inception, Slaughter and May has been intimately involved with the company's growth for well over a decade, including by advising on:

- capital raisings for regulatory capital purposes
- its 2015 IPO and on its continuing obligations as a listed company
- its 2017 take-private
- numerous strategic M&A transactions



OFFER TO RETAIL INVESTORS

Alongside the offer of new and existing shares to institutional investors, the IPO included an offer to UK retail investors conducted via RetailBook and its partner network of investment platforms, retail brokers and wealth managers.

Of the approximately 94 million shares sold in the IPO, around 6.7 million were sold through the retail offer, raising approximately £25m.

KEY LEARNINGS

- **Planning:** Typically it takes around 6 - 12 months to prepare for and execute an IPO, but this will depend on the complexity of the company's business, corporate structure and its state of readiness. Timing for launch is usually driven by market windows and when the company's financial statements are published. Have a contingency plan in case market conditions change
- **Intended timeline:** Get buy-in early on from the company, existing shareholder(s) and advisers on the desired IPO timeline to set expectations and enable key workstreams to be managed efficiently
- **Group structure:** Execute any corporate reorganisation well in advance of the IPO, and factor in time needed to obtain any regulatory approvals
- **Financials:** Assess early on what financial information will need to be included in the prospectus, particularly where the company has recently completed, or expects to complete, one or more significant M&A transactions
- **Messaging:** Work on your public narrative and brand recognition before launching your IPO. Agree messaging on key topics before doing initial presentations to analysts and prospective investors and try to keep messaging consistent throughout the IPO process across media, employees, existing and potential new investors
- **Offer structure:** Seek early alignment between the company and existing shareholder(s) on the structure of the IPO, including the balance between primary fundraising and secondary sale, and whether to include a retail offer
- **Underwriting:** Agree commission levels and other key terms with the underwriting banks before they are appointed, when the company has greater leverage
- **Lock-ups:** Consider early on which parties will be subject to a lock-up and for how long, and any exceptions
- **Pricing:** Valuation discounts are a feature of IPOs. Get agreement on key parameters for the IPO, such as the minimum value to be achieved, well before you go public with your intention to float. Investment banks will advise on optimum pricing, but it's worth remembering that pricing conservatively can ensure momentum and a positive trajectory

SHAWBROOK'S JOURNEY: KEY DATES

